

Target Market Determination



HSBC Personal Loan

Date: 5 April 2024



HSBC

Opening up a world of opportunity

Target Market

Product Description and key attributes

The HSBC Personal Loan is an unsecured credit facility that provides customers with a lump sum of funds to achieve various life goals (e.g., buying a car, paying for a wedding).

The following table sets out the key attributes of the HSBC Personal Loan, which HSBC has assessed as being consistent with the likely needs, objectives, and financial situation of customers in the target market for this product:

Customers with any one or more of the following needs and objectives	Key attributes
Require a personal loan to: <ul style="list-style-type: none"> • achieve various life goals e.g., buying a car, property renovation, paying for a wedding, education, or holiday. • consolidate debts. • help manage cash flow. 	Credit facility allows customer to make fixed monthly repayments, with fixed interest rate for the duration of the loan term.
Do not want to give security over any assets.	The loan does not require any type of collateral.
Ability to pay off the loan over a chosen time frame and make additional repayments.	Loan term flexibility between 1 – 5 years No extra charges apply for making additional payments. An Early Termination Fee applies if a personal loan is repaid with more than 6 months remaining on the loan term.
Customers in all of the following financial situations	Key attributes
Require a credit facility between \$5,000 to \$50,000.	A minimum credit limit of \$5,000 and maximum credit limit of \$50,000
Earn a regular income.	Fixed monthly repayments are required to be made on this personal loan, and includes the following: <ul style="list-style-type: none"> • One off establishment fee • Monthly Servicing Fees • Interest charges
Have a good credit rating and not be experiencing financial hardship or financial stress as identified through credit bureau checks carried out at the time of application.	
Be able to make the fixed monthly repayment each month on their account without experiencing financial hardship.	

Key eligibility requirements

To hold a personal loan, customers must be able to satisfy certain eligibility criteria, including that customers must:

- be aged 18 years or older;
- be an existing HSBC Australia customer for at least 12 months; or have an existing Mortgage with HSBC; or hold HSBC Premier status at the time of application.
- be an Australian resident;
- earn a regular income of at least AUD40,000 per year before tax;
- have a good credit rating and not be experiencing financial hardship or financial stress as identified through credit bureau checks carried out at the time of application;
- be able to service the proposed loan in accordance with the HSBC's lending criteria and responsible lending obligations at the time of application.

Consistency with the Target Market

HSBC has assessed this product, including its key attributes, and determined that they are consistent with the likely needs, objectives, and financial situation of the target market.

Distribution Conditions

This product is distributed through the following channels:

- staff assisted channels including in an HSBC branch, over the phone and via Relationship Managers
- online channels including our websites, mobile banking and online banking; and
- third party channels including comparison websites.

Channel	Distribution of this product is subject to the following conditions and restrictions
Staff assisted	<p>HSBC staff must:</p> <ul style="list-style-type: none">• be appropriately trained to discuss the key features, eligibility requirements, interest rates and fees associated with this product;• have access to resources and materials including up to date product information and product comparison tools to be able to discuss the key difference between our products; and• collect the necessary information from the customer at the time of application in order to apply our suitability assessment checks. <p>This condition is appropriate as HSBC has control over the distribution and marketing of all products contained within this channel. Staff are required to follow an approved conversation framework. This seeks to ensure that HSBC staff will only discuss products that are likely to match the needs, objectives and financial situation of those customers likely to be within the target market for this product. Staff assisted channels are subject to supervisory oversight, continuous monitoring and customer feedback surveys.</p>
Online	<p>Online channels must:</p> <ul style="list-style-type: none">• provide customers with clear and accurate information about the key attributes, eligibility requirements, interest rates and fees associated with this product;• provide access to an easy to navigate product comparison tool which assists customers in identifying the key difference between our products; and• collect the necessary information from the customer at the time of application in order to apply our suitability assessment checks. <p>This condition is appropriate as HSBC has control over the distribution and marketing of all products contained within this channel, ensuring that information about this product including key attributes, eligibility requirements, interest rates and fees are accessible on HSBC's online channels in an easy to navigate format.</p>

Review Triggers

The following review triggers, which reasonably suggest that the Target Market Determination for the product is no longer applicable, apply where there is:

- significant dealing outside the target market;
- a significant number of complaints in relation to the product
- a material change to the product or the terms and conditions of the product
- a significant increase in the number of defaults

Review Periods

Unless a review trigger occurs:

- **periodic reviews:**
 - next review completed by: 5 October 2024
 - maximum period between reviews: 12 months

Distribution Information Reporting Requirements

Distributor	Information	Frequency	Reporting period
Comparison websites	Information on all complaints received in relation to the product, HSBC or the distributor	Quarterly	Within 10 business days of the end of the quarter.

For more information about HSBC's personal loans, please visit www.hsbc.com.au/loans/